

Building the
Broadband Atmosphere

TROPOS
networks

**City of Milpitas
Wi-Fi Network Showcase Proposal
and Statement of Work**

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Section 1 – Acceptance Letter

Bill Marion
Director of Information Systems
City of Milpitas

Mr. Marion,

Tropos Networks is pleased to present this Wi-Fi Network Showcase Proposal to the City of Milpitas. The project is a cooperative project between Tropos Networks and the City of Milpitas to expand your current network as defined in the Statement of Work (Section 2) of this proposal.

Tropos applauds the City of Milpitas Information Systems and Police Department for their innovative use of new and emerging technologies such as Metro-Scale Wi-Fi. The current Tropos Wi-Fi zone extending from the Public Works building to the City Hall has been a beneficial project for both the City and Tropos Networks.

Tropos has selected the City of Milpitas as a candidate for this project due to our working relationship and the professionalism of the Information Systems Group. The proposal includes a significant expansion to the existing Wi-Fi zone, more than doubling the size of your current network. The Statement of Work can be found in Section 2 of this document and is summarized as follows;

- Tropos will provide an additional 20 Tropos 5110 Wi-Fi Cells at no cost to the City of Milpitas.
- Tropos will provide professional services during the cooperative installation phase of the project.
- The City is responsible for timely installation of these units via a mutually agreed to implementation plan.
- The City will broadly utilize existing public safety technologies via the network such as CAD, RMS, CLETS, CalPhoto, and other appropriate existing applications.
- The city will work with Tropos to aggressively deploy and make demonstrable “leading-edge” applications such as video surveillance and GIS
- The City will represent Tropos as a “Showcase Account” per this agreement, including hosting on a regular basis prospective Tropos customers, business partners, press and analysts.

Tropos is excited about this potential project and the benefits to both parties. Upon execution of this agreement, Tropos and the City will immediately commence work per the Scope of Work provided.

If there are any questions concerning our proposal submittal, Please contact Steve Lowe or Ron Pequette for clarification.

Steve Lowe - Vice President of Sales
Phone - (303) 818-9240

Ron Pequette -- Western Regional Sales Director
Phone - (303) 909-5655

Sincerely,

Steve Lowe,
Vice President of Sales, Tropos Networks Inc.

Tropos :

Signature : _____ Date: __/__/__

City of Milpitas :

Signature : _____ Date: __/__/__

Section 2 - Statement of Work

Included in this section;

- Project Overview
- Responsibilities of Parties
- Project Schedule

Project Overview

The City of Milpitas Wi-Fi expansion project is a joint project between Tropos Networks and the City of Milpitas. Tropos Networks is providing assistance with the network design, Tropos 5110 Wi-Fi cells, and implementation assistance. The City is responsible for the Police IT Network connectivity, in-car Wi-Fi cards, external antennas, roaming software, in-car software applications, installation and becoming a Tropos Showcase reference account.

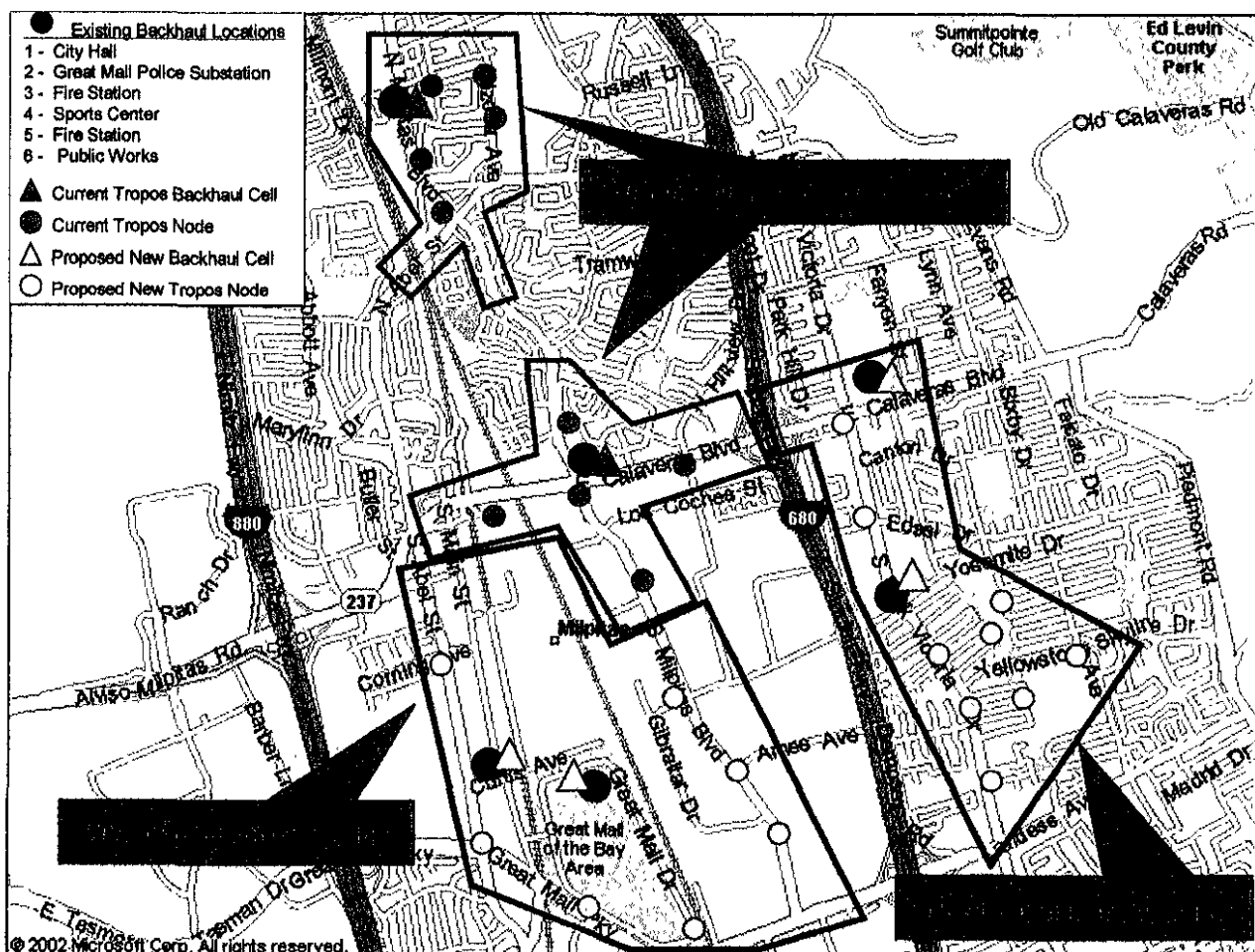


Figure 1 – Existing and Proposed Expansion Coverage Areas

Figure 1 represents the current and an example of the proposed Wi-Fi expansion coverage areas. The diagram depicts;

- The City of Milpitas existing backhaul locations are depicted by red circles with numbers corresponding to location.
- The current Tropos Wi-Fi coverage area (blue polygon) that covers an area from the Public Works building south along Milpitas Blvd to the City Hall Building. The Tropos Wi-Fi cells are represented by blue triangles (existing Tropos 5110 wired cells) and blue circles (existing Tropos 5110 cells).
- The proposed Tropos Wi-Fi coverage expansion area (black polygon) that will cover the area west to interstate 880, east to 680, and south covering an area including the Great Mall. The Tropos Wi-Fi cells are represented by yellow triangles (expansion Tropos 5110 wired cells) and yellow circles (existing Tropos 5110 cells).

Responsibilities of Parties/Statement of Work

The following section defines the responsibilities of parties and scope of work that is to be preformed by each party during the implementation of the project.

Tropos Responsibilities and Statement of Work

1. Tropos will supply twenty (20) Tropos 5110 Wi-Fi Cells with the required power connection options at no charge to the City. The Tropos 5110s will be provided in new or used condition and are provided "as is." Tropos will make shipment to the City in a timely manner to insure an aggressive implementation schedule is followed. All other terms under which the 5110 units are provided are contained in the Tropos Standard Terms and Conditions and apply.
2. Tropos will supply a license to the Tropos EMS network management application for the 32 node network for 1 year evaluation.
3. Tropos will provide consultative assistance during the installation phase of the Tropos 5110s provided at the agreed to locations. The City is responsible for the actual installation.
4. Tropos will provide one year of Tropos Premium Support, which includes software updates, bug fixes and customer support. The City will have the option to execute a maintenance program for additional years of coverage, as defined in Section 3 "Maintenance Pricing."
5. Tropos will provide ongoing support and periodic network performance audits per a mutually agreed to period.
6. Tropos will provide software upgrades for one year as part of Tropos Premium support.

7. Tropos will be responsible for creating mutually agreed to press releases, applicable trade magazine articles, and media coverage.

City of Milpitas Responsibilities and Statement of Work

1. The City will provide mounting rights and power at the to-be-determined mounting locations. The City will provide the bucket trucks and installation personnel to hang and install power to the Tropos 5110 units per Tropos specification and direction. The City will be responsible for ongoing installation maintenance requirements including, for example, the replacement of units if needed.
2. The City will provide the in-car Wi-Fi cards, antennas, and roaming software. The City will be responsible for the in-vehicle installation. The City will insure deployment of at least 30 Police units with Wi-Fi capabilities and applications. Police personnel will be trained in the usage of the network and applications and provide network usage and performance information back to Tropos in a timely manner.
3. The City will provide a timely rollout of the project. Tropos would propose that the Wi-Fi expansion project be implemented and operational by the end of February 2004 at the latest. Every effort will be made to exceed this installation goal.
4. The City will be responsible, with Tropos assistance, for the initial configuration of the units and any trouble shooting required. The City will assign personnel to learn and become the long term system managers.
5. The City will provide Tropos Customer Support on-site, temporary access to the EMS server and 5110s for performance monitoring and trouble-shooting as reasonably requested by Tropos.
6. The City will install new releases of the Tropos software on a mutually agreed to schedule. These releases are quality assurance tested releases for general availability. The installation of the new releases will have new features. If appropriate, the City will test new functionality.
7. The City will broadly utilize innovative applications such as video, computer aided dispatch, Records Management, Cal Photo, CLETS queries, mapping applications, mugshots, etc., as appropriate.
8. The City will become a Tropos Showcase reference site. As a reference site, the City agrees to cooperate and issue (as appropriate) mutually agreed to press releases, applicable trade magazine articles, case studies, and media coverage. Tropos Networks and the City will issue a joint press release regarding the installation within 30 days of successful deployment. Tropos and the City will work to develop an appropriate marketing "Press" release program to be determined.

9. The City responsibilities as a Tropos Showcase reference site includes providing for site visits from potential customers, investors, consultants, and other to be determined Public Safety and Wi-Fi market professionals. The City will represent the Tropos Networks technology via presentations and ride-alongs for live application demonstrations in a positive manner. Tropos expects several visits per month. Site visits and demonstrations will be communicated and coordinated on a proactive basis between Tropos and the City of Milpitas management teams. The City of Milpitas, due to the nature of Police requirements, will have final authority on the scheduling of site visits.
10. The City will monitor the network on a regular basis and communicate results and issues on a regular basis. The County will provide mutually agreed to access to the network for Tropos engineering personnel to evaluate the network operation.

Project Schedule

The following is the project schedule task breakdown. The project schedule is available in Microsoft Project upon request.

Task	Duration	Start	Finish
Milpitas Wi-Fi Expansion Project Schedule	27d	Fri 1/16/04	Mon 2/23/04
Customer and Tropos Approval	1d	Fri 1/16/04	Fri 1/16/04
Expansion Project Implementation	26d	Mon 1/19/04	Mon 2/23/04
Project Management	30d	Mon 1/19/04	Fri 2/23/04
Site Survey/Data Collection	5d	Mon 1/19/04	Fri 1/23/04
Mounting/power Location Documentation	5d	Mon 1/19/04	Fri 1/23/04
Capacity/Back-Hall Location	5d	Mon 1/19/04	Fri 1/23/04
City of Milpitas Installation	15d	Mon 1/26/04	Fri 2/13/04
Equipment Procurement and Shipment	10d	Mon 1/26/04	Fri 2/6/04
5100 Equipment Procurement	2d	Mon 1/26/04	Tue 1/27/04
5110 Equipment Ships to Customer	1d	Wed 1/28/04	Wed 1/28/04
Wi-Fi Cards/Antennas Procurement	10d	Mon 1/26/04	Fri 2/6/04
Installation	15d	Mon 1/26/04	Fri 2/13/04
Milpitas Installs Backhaul	5d	Mon 1/26/04	Fri 1/30/04
Milpitas/Tropos 5110 Configuration	2d	Mon 1/26/04	Tue 1/27/04
Installation 20 Units	10d	Wed 1/28/04	Tue 2/10/04
Network and Integration Test	3d	Wed 2/11/04	Fri 2/13/04
City of Milpitas Vehicle Installation	10d	Mon 2/9/04	Fri 2/20/04
Vehicle Installation	10d	Mon 2/9/04	Fri 2/20/04
Fire/10 Police Units (Wi-Fi / Antennas)	10d	Mon 2/9/04	Fri 2/20/04
Network Live	1d	Mon 2/23/04	Mon 2/23/04
Installation Complete	1d	Mon 2/23/04	Mon 2/23/04

Section 3 - Showcase Pricing

Table 3-1: Showcase Pricing for Tropos 5110 Wi-Fi Cells w/NEMA

Tropos 5110 Wi-Fi Cells w/NEMA			
Photo Cell Adapter	\$ 3,559	20	\$ 67,180
Tropos EMS	\$ 200	20	\$ 4,000
Tropos Professional Services	\$ 5,920		\$ 5,920
Tropos Premium Support (first year)	\$ 8,542		\$ 8,542
Total Price			\$ 85,642
Showcase Discount			(\$ 85,642)
Showcase Customer Price			\$ 0

Annual software maintenance and support after the first year may be purchased by the City at additional cost. After the services expire, the City shall have the option of renewing support for an additional year. Upon renewal of maintenance and support services after the first year period, the maintenance and support rate for the first renewal period will remain fixed at the first year rate. The fees for such services will be calculated as the product of this rate and the then-current list price of products for which support has been purchased. If the maintenance contract is not executed, then maintenance and support will become the responsibility of the City.